

JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

P.O. Box 94214
BATON ROUGE, LOUISIANA 70804-9214
(504) 342-5900

May 12, 1994

DIRECTIVE NO. 118

TO: ALL PROPERTY AND CASUALTY INSURERS

RE: ACT NO. 811 OF 1993
REQUIREMENT FOR LOUISIANA CLAIMS OFFICE OR CLAIMS
ADJUSTER

ACT NO. 811 OF THE 1993 REGULAR SESSION OF THE LOUISIANA LEGISLATURE, EFFECTIVE AUGUST 15, 1993, ENACTED R.S. 22:992, WHICH READS AS FOLLOWS:

"§992. CLAIMS OFFICE; LOCATED IN THIS STATE

A. EVERY FOREIGN OR ALIEN INSURER AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE SHALL MAINTAIN AN OFFICE IN THIS STATE FOR THE PURPOSE OF PROCESSING CLAIMS ON PROPERTY AND CASUALTY INSURANCE POLICIES ISSUED OR DELIVERED BY THE INSURER IN THIS STATE. IN LIEU OF MAINTAINING A CLAIMS OFFICE IN THIS STATE, THE INSURER MAY RETAIN THE SERVICES OF A CLAIMS ADJUSTOR FOR PROCESSING CLAIMS ON PROPERTY AND CASUALTY INSURANCE POLICIES ISSUED OR DELIVERED BY THE INSURER IN THIS STATE. EACH INSURER SHALL PROVIDE, UPON INQUIRY BY THE COMMISSIONER OF INSURANCE, THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE LOUISIANA DOMICILED INDEPENDENT CLAIMS ADJUSTORS RETAINED BY THE INSURER TO PROCESS A PARTICULAR CLAIM MADE UNDER POLICIES ISSUED OR DELIVERED BY THE INSURER IN THIS STATE.

B. EACH CLAIMS OFFICE OR CLAIMS ADJUSTOR RETAINED BY SUCH INSURER SHALL MAINTAIN FILES, ON COMPUTER OR OTHERWISE, ON CLAIMS SUBMITTED TO THE INSURER, FOR SIX MONTHS AFTER A CLAIM IS FINALLY RESOLVED OR SIX MONTHS AFTER EXPIRATION OF PRESCRIPTION ON A CLAIM, WHICHEVER

OCCURS FIRST. PERSONNEL IN THE CLAIMS OFFICE OR ADJUSTOR, IF RETAINED, SHALL BE AUTHORIZED BY THE INSURER TO REQUEST CHECKS, SETTLE CLAIMS, AND CONTRAVENE ON BEHALF OF THE INSURER CONCERNING CLAIMS MADE TO THAT OFFICE OR ADJUSTOR ON POLICIES ISSUED OR DELIVERED BY THE INSURER.

C. EACH FOREIGN OR ALIEN INSURER AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE SHALL MAINTAIN ON FILE WITH THE COMMISSIONER OF INSURANCE THE CURRENT LOCATION AND TELEPHONE NUMBER OF THE INSURER'S SUPERVISORY CLAIMS OFFICE RESPONSIBLE FOR LOUISIANA CLAIMS, WHICH INFORMATION SHALL BE A PUBLIC RECORD.

D. THIS SECTION SHALL NOT APPLY TO REINSURERS LICENSED OR ACCREDITED BY THE STATE."

ACT NO. 811 ALSO ENACTED R.S.22:987(A)(17) WHICH READS AS FOLLOWS:

"§987. REFUSAL, SUSPENSION, AND REVOCATION OF CERTIFICATE OF AUTHORITY

A. THE COMMISSIONER OF INSURANCE MAY REFUSE, SUSPEND OR REVOKE THE CERTIFICATE OF AUTHORITY OF A FOREIGN OR ALIEN INSURER WHENEVER HE SHALL FIND THAT SUCH INSURER:

* * *

(17)FAILS TO MAINTAIN A CLAIMS OFFICE FOR PROCESSING PROPERTY AND CASUALTY INSURANCE CLAIMS IN THIS STATE, OR RETAIN THE SERVICES OF LOUISIANA DOMICILED INDEPENDENT CLAIMS ADJUSTORS. THIS PARAGRAPH SHALL NOT APPLY TO REINSURERS LICENSED OR ACCREDITED TO DO BUSINESS IN THE STATE".

THEREFORE, IT IS IMPERATIVE THAT EVERY FOREIGN OR ALIEN INSURER AUTHORIZED TO TRANSACT BUSINESS IN LOUISIANA, OTHER THAN LICENSED OR ACCREDITED REINSURERS, MAINTAIN A CLAIMS PROCESSING OFFICE FOR PROPERTY AND CASUALTY INSURANCE POLICIES OR RETAIN THE SERVICES OF A LOUISIANA DOMICILED INDEPENDENT CLAIMS ADJUSTOR FOR THAT PURPOSE.

ADDITIONALLY, IT IS THE DUTY OF YOUR CLAIMS OFFICE OR CLAIMS ADJUSTOR TO MAINTAIN FILES AS SPECIFIED IN R.S.22:992(B) ABOVE.

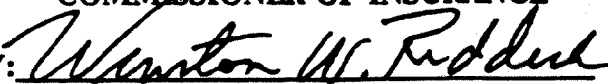
IT IS YOUR DUTY TO INFORM THE COMMISSIONER OF YOUR SUPERVISORY CLAIMS OFFICE RESPONSIBLE FOR LOUISIANA CLAIMS, IN ACCORDANCE WITH R.S.22:992(C) ABOVE.

IN ACCORDANCE WITH R.S.22:987(A)(17), QUOTED ABOVE, THE COMMISSIONER MAY SUSPEND OR REVOKE YOUR CERTIFICATE OF AUTHORITY WHEN YOU DO NOT COMPLY WITH THE PROVISIONS REQUIRING THE MAINTENANCE OF A LOUISIANA CLAIMS OFFICE OR CLAIMS ADJUSTER.

ALL FOREIGN OR ALIEN PROPERTY AND CASUALTY INSURERS TO WHOM THIS ACT APPLIES ARE HEREBY DIRECTED TO IMMEDIATELY COMPLY WITH ACT 811 OF 1993. INSURERS FAILING TO COMPLY WILL BE SUBJECTED TO THE PROVISIONS OF R.S.22:987(A)(17), AND OTHER PENALTIES IN ACCORDANCE WITH THE LOUISIANA INSURANCE CODE AND OTHER APPLICABLE PROVISIONS OF THE LOUISIANA REVISED STATUTES.

JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE

BY:



WINSTON W. RIDDICK
CHIEF DEPUTY COMMISSIONER